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**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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<b>In re:</b>	:	<b>Chapter 11 Case No.</b>
	:	
<b>LEHMAN BROTHERS HOLDINGS INC., <u>et al.</u>,</b>	:	<b>08-13555 (JMP)</b>
	:	
<b>Debtors.</b>	:	<b>(Jointly Administered)</b>
	:	
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**STATEMENT OF OFFICIAL COMMITTEE OF UNSECURED  
CREDITORS IN SUPPORT OF DEBTORS' MOTION PURSUANT TO  
SECTIONS 105 AND 363 OF THE BANKRUPTCY CODE AND BANKRUPTCY  
RULE 9019 FOR APPROVAL OF SETTLEMENT WITH  
LEHMAN RE LTD AND CERTAIN OTHER PARTIES**

The Official Committee of Unsecured Creditors (the "Committee") of Lehman Brothers Holdings Inc. ("LBHI") and each of its affiliated debtors in possession (collectively, the "Debtors") hereby files this statement in support of the *Debtors' Motion Pursuant To Sections 105 And 363 Of The Bankruptcy Code And Bankruptcy Rule 9019 For Approval Of A Settlement Agreement With Lehman Re Ltd And Certain Other Parties* [Docket No. 25864] (the "Motion")<sup>1</sup> and respectfully states as follows:

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<sup>1</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

**STATEMENT**

1. The Committee supports the relief requested in the Motion, and believes that (i) the terms of the proposed Settlement Agreement are well within the range of reasonableness, and (ii) entering into the Settlement Agreement is in the best interests of the Debtors and their creditors.

2. The Committee has been actively involved in the Debtors' negotiations with their foreign affiliates. In this connection, the Committee has evaluated the disputes between the Debtors and Lehman Re, and, particularly, the claims arising under, and the disagreements with respect to, the MRA and NWMA. Thus, the Committee is well situated to evaluate the reasonableness of the Settlement Agreement.

3. The Committee's financial advisors have determined that the economic terms of the Settlement Agreement are within the range of reasonableness and will benefit the Debtors, their estates, and creditors. More specifically, (i) the amount proposed to be paid to Lehman Re under the NWMA is consistent with the Committee's independent evaluation of the Debtors' obligations under the agreement and the assets and liabilities to which it relates; (ii) the deficiency claim granted to Lehman Re in connection with the MRA accords with the Committee's assessment of the value of the underlying real estate assets; (iii) the Repurchased Loans, for which the Debtors are paying \$32 million, are likely to have a substantially higher value in the Debtors' hands than in those of Lehman Re; and (iv) the proposed settlement of Lehman Re's derivatives claims against LBCC and LBSF and its claims against LBHI relating to tax sharing issues appear fair and reasonable under the circumstances.

For the reasons set forth herein and in the Motion, the Committee respectfully requests that the Court (i) grant the relief requested in the Motion, and (ii) grant such other relief as is just.

Dated: New York, New York  
March 19, 2012

**MILBANK, TWEED, HADLEY & M<sup>c</sup>CLOY LLP**

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